



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

# THE PEACE IN EASTERN EUROPE

BY ELIOT WADSWORTH

---

THROUGH nearly four and one-half long years of the war the peoples of the world had been constantly buoyed up to super-human efforts by the thought of what peace would ultimately bring. Freedom, happiness and plenty were held forth by the leaders and spokesmen of the Governments represented on either side.

Since the armistice a year and a half has passed. Some of the predictions have been realized; others have utterly failed. Meanwhile, many new problems which call for solution have come into the lives of the people.

The effect of Bolshevism, and the Soviet rule whether a by-product of the war or not, is becoming better and better known as the truth is told of the situation in Russia. The number of people who suffer from this entirely new and strange theory of government is increasing rather than decreasing. Bolshevism has swept over southern Russia and is penetrating into the eastern end of Asia Minor.

From some personal observations of territories in which the Bolshevik army has held sway for longer or shorter periods, there can be no doubt that it means destruction for well-ordered civilization. A visit from Bolshevik forces leaves nothing that is movable or breakable in dwellings, institutions or factories.

The difficulties arising from the war in the western countries are too well-known to need much discussion. The countries which have retained their identity and substantially their boundaries are struggling to get back to their normal life. Some have suffered great physical damage; all are suffering from the enormous strain which was placed on their resources and vitality by war activities. What we had regarded as the normal machinery of civilization was overstrained and overloaded beyond the danger point. Railroads slipped back in their efficiency; postal service, tele-

graphic communication, banking credits, all show the effect of overwork and under-maintenance. To bring these countries back to pre-war comforts and efficiency will require the united efforts of the peoples involved—but it can be done.

Further east in Europe the Peace Treaty has created a number of new nations which stretch from the Black Sea to the Baltic in the following order:

Roumania: more than doubled in size with new territories to organize and assimilate.

Jugo-Slavia: comprising the old state of Serbia together with the Croats and Slovenes, must be knitted into one state with a suitable representative government.

Hungary: with a territory greatly less than was formerly included in its borders and a form of government new to its people.

German-Austria: the remnant of what was formerly the dominating territory of the Austro-Hungarian Empire stands isolated in the heart of Europe.

Czecho-Slovakia: consisting of three peoples—the Czechs, Slovaks and Ruthenians—must reorganize and develop its resources without access to the sea except over the railways of its competing neighbors.

Poland: a nation whose people have been for one hundred and fifty years living under the domination of three different monarchies, has organized as a democracy. From the day of its birth it has been called upon to fight for existence, with its army against the Bolsheviki, with its sanitary forces against typhus; and at the same time endeavor to revive its industries under entirely new conditions.

Lithuania: made independent after a century and more of domination by Russia.

Latvia, Esthonia and Finland: each comprising from one and a quarter million to two million people to whom independence had hardly been a dream for many generations.

This breaking up of territory into new political divisions with individual interests, customs regulations, and currency, is a backward step on the path which the world has been following for a hundred years.

During this century the centralization of authority and increased business coöperation between nations has been the outstanding feature of the world's development.

In 1914 there was throughout the world the closest relationship in the business community. Barriers had been broken down by treaties, postal conventions and cable facilities. Trade between the peoples of the earth had become more universal and easier than it ever had been before.

As an instance of the value of a central government and coöperation we have only to look to our own thirteen Colonies under their loose confederation and later under a strong Federal Government. After the revolution and before the adoption of the Constitution, Albert J. Beveridge in *The Life of John Marshall* describes their situation in the following words:

Very considerable were the obligations "public and private" which Madison wrote his father that he "strongly suspected" a part of the country intended to repudiate. The public debt, foreign and domestic, of the Confederation and the States, at the close of the Revolutionary War, appeared to the people to be a staggering sum. The private debt aggregated a large amount. The financial situation was chaos. Paper money had played such havoc with specie that, in Virginia in 1786 [as we have seen], there was not enough gold and silver to pay current taxes. The country had had bitter experience with a fictitious medium of exchange. In Virginia by 1781 the notes issued by Congress "fell to 1,000 for 1," records Jefferson, "and then expired, as it had done in other States, without a single groan."

Later on, foreigners bought five thousand dollars of this Continental scrip for a single dollar of gold or silver. In Philadelphia, toward the end of the Revolution, the people paraded the streets wearing this make-believe currency in their hats, with a dog tarred and covered with paper dollars instead of feathers.

Washington, in speaking of the Confederation, wrote the following to Lee:

To be more exposed in the eyes of the world, and more contemptible than we already are, is hardly possible.

Again to quote Mr. Beveridge on the conditions of those days, the following is of interest:

The senseless and selfish nagging at trade in which the States indulged, after peace was declared, produced a brood of civil abuses as noisome as the military dangers which State control of troops had brought forth during the Revolution. Madison truly said that "most of our political evils may be traced up to our commercial ones." The States passed tariff laws against one another as well as against foreign nations; and, indeed, as far as commerce was concerned, each State treated the others as foreign nations. There were retaliations, discriminations, and every manner of trade restrictions and impediments which local ingenuity and selfishness could devise.

The idea of each State was to keep money from going outside its borders into other States and to build up its own business and pros-

perity at the expense of its neighbors. States having no seaports were in a particularly hard case. Madison picturesquely describes their unhappy plight: "New Jersey, placed between Philadelphia and New York, was likened to a cask tapped at both ends; and N. Carolina, between Virginia and S. Carolina, to a patient bleeding at both Arms." Merchants and commercial bodies were at their wits' end to carry on business and petitioned for a general power over commerce.

The situation of the new countries in eastern Europe is not so very different from that in which our Colonies found themselves in 1781-9. Although the number of people involved is enormously greater and the facilities available for doing business are quite different. Yet by cutting up this territory, formerly so closely associated, and creating the new independent states, many of the troubles under which our ancestors labored have been brought immediately into existence.

In considering this whole development, it must constantly be borne in mind that the new conditions affect far more the dwellers in the cities than those who make their living from the soil. It is the city with its complicated industrial organization, its dependence upon railroads, quick communication, payrolls and banking which feels at once any deterioration in the public services. To the city people who enjoyed all modern improvements, the pre-war days look almost hallowed in their luxury, plenty and solidity. They are now dependent upon the limited means of new nations launched forth into this modern industrial world unorganized, unfinanced and to a great extent unequipped with the fundamentals which carry modern civilization.

In 1914 they were using without thought the stable, well-understood methods which had taken generations to establish. For fifty years a large proportion of the individuals who have lived in this territory have been accustomed to steadily improving railroad, postal and telegraph service, a world market in which to buy and sell commodities, and a medium of exchange in which to transact business. A Roumanian could communicate and do business with a man in Finland, or in any of the intervening territory, without undue delay. Letters dropped in a postbox in Belgrade would be delivered in Helsingfors with almost unerring certainty. Goods turned over to a railroad destined from one small town to another several hundred miles away, would reach their destination untouched and without un-

necessary delay. The people depended upon all this machinery, the evolution of a century. To a great extent it has been cut up into small divisions by new boundaries based upon nationalities without regard to commerce or industry.

One of the most potent influences in this quick interchange had been the stabilized currency. There were many different currencies in Europe but they had a well-defined relative value. The Roumanian franc or any other currency could be figured into its value in Russian roubles or German marks with complete assurance. The rate might fluctuate a few per cent but any bank could give the daily rate, and further than that, would make the exchange in a few moments. It had taken many years to achieve this result. It was a fundamental need for a modern industrial world.

What has become of these facilities in the areas of eastern Europe?

In the first place, each geographical boundary drawn on the map has become an economic barrier. Railroads which used to run across all this territory in one great system, now stop short at each of the many boundaries. The supply of rolling stock and locomotives, greatly reduced by the war, is far too small in nearly every country. Naturally, each country objects to losing any part of such an essential piece of equipment. To send a car from Roumania to Warsaw, across three intervening states, requires unending negotiations and guarantees. For a car to cross the border from one nation to another, suitable guarantees for its return are necessary.

Arrangements for sending telegrams or carrying of mail, must all be newly made. Each nation must agree as to the tolls. Even with the respective shares adjusted, the constantly shifting value of the currency of the different nations makes a new condition almost every day.

The medium of exchange is one of the great obstacles to a return to pre-war conditions. Many new currencies have been added to those which formerly existed. All idea of a gold basis has disappeared from every currency. A fixed rate of exchange is impossible. A bank could hardly assume the hazardous position of changing one currency to another without at least a wide basis of profit. The effect of these changes upon the economic conditions of eastern Europe can readily be understood.

Among a population of perhaps seventy million people there had formerly been a free interchange of agricultural and manufactured products. Today, each small group into which these peoples have been divided is paddling its own canoe and getting along as best it can. Jugo-Slavia may have a surplus of wheat or hogs. Poland may need this surplus. Poland may have oil or lumber beyond its needs; Jugo-Slavia may need them. To make the exchange is slow, expensive, and, indeed, nearly impossible.

One example of how this affects the whole of Europe and, in fact, the world, may be useful. Upon the output of the Teschen coal fields a large part of southeastern Europe has always depended. To mine the coal, explosives were needed. They could only be obtained in Germany. Before any substantial supply could be obtained it was necessary to give a guarantee that these explosives would not be used for military purposes. This meant negotiation, in addition to a difficult financial arrangement. For the full operation of these mines, lumber for timbering was needed. Here again, there was difficulty, as there were no lumber mills nearby and it was necessary to arrange with an outside State, not only for the purchase, but for transportation across the geographical border. As a result, for many months the output of these mines was far below normal, and the territory depending upon them for fuel was forced to get along as best it could.

There are certain primary needs for which coal must be used: First, railroads; second, the public services of cities; third, a minimum of heating for institutions, public and private buildings. After this may come industry; so that industry suffers first from any shortage.

Another example will be found in the Galician oil fields, which under steady development had greatly increased their output until in 1909 two million tons of oil were produced. A constant investment of money was needed in the form of new wells to take the place of the old wells which ceased to produce. During the war these fields were captured and recaptured; producing wells were damaged, the drilling of new wells impossible. In 1919 the output of this field was only seven hundred thousand tons. It is estimated that unless new wells are drilled—an operation requiring nearly two years—by 1922 the output will be only four hundred thousand tons.

Here is another basic need for modern civilization which by a reduced supply is handicapping the return to normal conditions. Capital and confidence are needed to make a new start.

This is the situation in which these people find themselves in the peace which has been so long and ardently looked forward to. They have freedom, but have learned that freedom is not everything in these complicated days. Team play with the proper leadership, the right rules and apparatus, are needed to make freedom worth having.

It is not practical to suggest that these newly created countries, each full of a high patriotic spirit, should be brought together as were the Thirteen Colonies. The facilities upon which they depend must be reconstituted in some other way.

Left to themselves, the rebuilding of the fabric so greatly worn and ruthlessly cut into sections will be a slow and difficult task. They must have capital and raw material. They must cooperate. As they are today, each is dependent upon and competing for such private capital as may be found in the world. Concessions and special privileges, running for long terms and offering large profits, must be offered to make investment in these countries attractive to private capital which finds in all world markets extraordinary opportunities urgently offered by nations, corporations and private borrowers. Already some investments have been made by bankers and merchants of the United States, England, and France, but by no means in quantities sufficient to meet the need. Even such help, given by divergent interests, may accentuate rather than assist the necessary movement toward coöperation.

The problem of getting this great section of Europe back to normal is one which requires the combined effort of all the nations. Capital and raw material should be provided, but with this aid to a renewing of industry and an improvement in facilities, should go a determined effort toward the breaking down of economic barriers. It is a huge task, worthy of the efforts of the strongest men. It is a work which, if carried through, would mean a very real contribution to the comfort and peace of the coming generations. The United States built the Panama Canal, not as an investment, but to add to the facilities of the world, to create new markets and bring old markets nearer together. The United



States has done constructive work in the Philippines, Porto Rico and Cuba, not entirely for its own gain and not without considerable expense.

Here in eastern Europe we have a problem greater than any which has faced the world since the United States became a nation. We are, I believe, able to cope with it if we have the desire and the leadership. We are the only nation in the world today with the money and the raw material. Such a work might be looked upon as humanitarian only; certainly the relief which would be afforded to millions of human beings cannot be left out of the reckoning. There is another great reason which, in itself, should be conclusive. The commercial world, of which our country is an important part, needs to have the millions of people of eastern Europe again take their place as producers, consumers and builders. Other nations would without question join in such an effort. Business and trade affiliations would grow out of it which would be of permanent benefit to the commerce of this country.

A great opportunity lies before us in the making of such a contribution to the progress of civilization. We as a people should take it.

ELIOT WADSWORTH.